

In confidence

BCB(16)2nd meeting

Tuesday 22 March 2016

MINUTES

Present

Vernon Ellis Chair
Janet Beer
Deborah Bronnert
Gareth Bullock
James Cronin
Rohan Gunatillake
Howell James
Oliver Laird
Kirsty Lang
Usha Prashar
Martin Roth
Alan Shannon
Tom Thomson
David Verey

In attendance

Ciarán Devane, Chief Executive
Jo Beall, Director Education & Society
Jane Beecroft, Acting Director Global Network
Hilary Cross, Director Strategy & Engagement
Adrian Greer, Chief Operating Officer
Andrew Horton, Director Digital, Partnerships & Innovation
Helen Murley, Director HR
Mark Robson, Director English
Graham Sheffield, Director Arts
Caroline Stockmann, Chief Financial Officer
Stephan Roman, Regional Director South Asia (item 6)
Laura Graham, Head Corporate Planning and Performance (item 8)
Alison Coutts, Secretary

1. Apologies for absence & declarations of interest

Ros Marshall had sent apologies for her absence.

There were no declarations of interest.

The Chair welcomed Andrew Horton, new Executive Board member, to the meeting.

The Chair welcomed Jane Beecroft, currently Acting Director of the Global Network Team, to the meeting.

2. Minutes of the Board meeting of 9th February 2015 and matters arising

All matters arising from the meeting had been actioned or were scheduled for a future meeting. The Minutes were approved.

3. Chief Executive's Report

Ciarán updated Trustees on the Comprehensive Spending Review settlement. *Information in this section has been removed as it is likely to be exempt from disclosure on the grounds that it is "likely to prejudice the effective conduct of public affairs" as defined under Section 36 (Prejudice to the effective conduct of public affairs) of the Freedom of Information Act 2000.* We are also looking at how we will manage the profiling of the grant over the next few years effectively.

He reminded the Board that having spent much of his time in his first year building external relationships, whilst this will remain important, he is spending more time on internal issues this year. He is working closely with the Executive Board to collectively address the critical success factors for our long-term future and to lead and support the whole organisation through example to focus on the most important issues and be more rigorous on prioritisation.

4. Critical Success Factors: Surplus Growth

Mark explained that the target of 8.5% growth has been calculated as necessary in order to enable us to provide a proper cultural relations offer in non-ODA countries. He summarised initial thinking on what this means we will need to do, and some of the factors that will be critical for us to address in order for us to achieve it.

Trustees examined previous and projected costs, margin, fluctuations in volume in different areas, and other market factors. They asked about the efficiency programmes and how and when the efficiencies will impact. In response Mark talked through the main initiatives which will provide more effective processes, standardisation, reduce duplication and release both time and money.

Trustees observed that this is a challenging target. They requested more analysis and data to support our approach, proper stress testing and clarity on what contingencies are being built in.

James volunteered to review our updated offer on blended learning as we develop it. It will be important to keep the Board fully informed on progress. It was agreed that the next update on this will go to the Audit & Finance Committee first so they can interrogate it in conjunction with reviewing the financial plan.

5. Critical Success Factors: Capital Funding Strategy

Caroline set out the early work we've been doing on reviewing the options available to us should we wish to borrow capital. Trustees discussed the options and suggested others to consider.

They agreed that a lot more work will need to be done on this to provide proper assurance to Trustees. They requested clearer proposals, with examples showing how it would work for a specific initiative, how it would impact on our balance sheet, and what rigour and mitigations we would put in place to ensure a loan was managed properly. They asked that we identify an external expert in this area to advise us as we go forward.

6. Regional Overview: South Asia

The chair welcomed Stephan Roman, Regional Director South Asia, to the meeting.

Stephan gave a short snapshot of the opportunity and challenges in a very varied region and our vision and response. Trustees had a lively discussion on a range of issues such as the impact of the UK's visa regime and what we can do to support international exchange, our approach to operating in

Iran, security challenges and a range of other issues. They agreed that it would be useful to have a session on Iran as a specific item on a later Board agenda. They gave their strong support for our plans to step up our work in digital and for involving more UK partners. They noted that there is a lot of valuable South Asian related content in the UK which needs to be made accessible to South Asian audiences. Stephan noted that this will be a large part of the Libraries Revolution programme.

They agreed that Active Citizens has been successful in the region but emphasised the need to ensure it is kept fresh and relevant and that we properly monitor and evaluate the value that it brings to the relationship with the UK.

Overall they were content that our strategy for the region is going in the right direction and trustees thanked Stephan for an excellent and thoughtful presentation and a stimulating discussion.

The Chair noted that Stephan will be retiring from the British Council shortly. He thanked Stephan on behalf of the Board for the very valuable contribution he has made to the organisation and wished him well for the future.

7. Chief Operating Officer's report

Adrian asked Caroline to give a short overview of the operating plan for next year. The Board approved it and asked that in future years it goes to the Audit & Finance Committee first so they can give it more scrutiny. Caroline added that we will be working on a 3 to 5 year plan over the next few months so we can test the sustainability of our plans and model for the longer-term.

Trustees noted the headlines on our financial performance for 2015/16. There were no notable variations to the last report.

Adrian brought the Trustees' attention to the two year extension to the Newton Fund Programme. Trustees agreed that this is excellent news and demonstrates confidence from government in our value added.

The Board also noted for the record the criticality of laying the Annual Report and Accounts before this year's summer recess.

8. Corporate Plan Approval

The Chair welcomed Laura Graham, Head Corporate Planning and Performance, to the meeting.

Adrian gave an overview on the main challenges that we need to address in the Corporate Plan and Laura ran through the changes since the Trustees saw the previous draft.

Trustees were pleased to see that Trustees' comments had been addressed and that it reflects the hard work that had been done on consultation. They agreed that it is a quality and living document and congratulated the team on an excellent piece of work.

The Trustees asked to see the cash flow and balance sheet that support the figures in the plan. It was agreed that these would be shared separately with Trustees as the document should remain high level and strategic.

Trustees approved the Corporate Plan and noted that it has been submitted concurrently to the FCO for agreement.

9. Chair's Business

The Chair referred Trustees to a tabled paper which summarised submissions made by the 5 winners of Encounters. He said that there had been a real spread of stories with many excellent ones to

choose from. Next year's round will include an emphasis on telling a good story through pictures as well as words.

He also described the highlights from his and Ciarán's visit to Nigeria. Both had seen some excellent, high impact work being carried out in often difficult circumstances.

10. Report from the Contracts Committee

Vernon reported on the Contracts Committee meeting of 14 March. He noted that the Committee had reviewed the contract strategy and associated professional services model and that this is making progress. They had also looked at the contract pipeline and agreed it is in reasonable shape. They noted that there is still work to be done to ensure rigorous prioritisation of contracts we decide to go for so there is no scope creep. There also needs to be more focus on tackling inefficiencies.

11. Any other business

Usha noted that Tom Thomson has joined the Advisory Board of Future NEWS, an annual event in which the British Council is one of several partners.

Usha gave profound thanks to Sir Vernon Ellis on behalf of the Board for his outstanding chairmanship of the British Council over the last 6 years. She observed that our success and influence today are in large part due to the thoughtfulness, analysis, engagement and leadership that he has provided with constant energy over the last few years.

The Chair thanked Trustees and the Executive for all their support and engagement over the period of his chairmanship and said it had been a huge privilege to hold the position as well as being very enjoyable. The Board applauded him and wished him well for the future.

There was no other business and the meeting ended at 13.00.

Summary of action points arising

Updated from previous meetings

(01)4	Bring economic modelling for review via A&FC	2016
(03)3	Include a session on headcount and what good looks like	2016
(03)4	Include a session on EO&D targets, particularly on race	2016
(01)5	GIS – come back to the Board with a timeline/milestones	By email
(03)4	Develop the English strategy with contributions from Janet, Ros, David and Gareth before bringing back to the Board next year	2016
(04)7	Update the risk format to provide a 3 year projection	2016
(05)4	Include an update from the Contracts Committee in the annual agenda	2016

Current meeting

(02)4	Next version of surplus growth plan to go to A&FC before board	2016
(02)5	Identify an external expert to advise on capital funding	May 2016